GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:237
ANSWERED ON:18.03.2005
ROAD MAP FOR RURAL ELECTRIFICATION
Adsul Shri Anandrao Vithoba

Will the Minister of POWER be pleased to state:

(a) whether the Union Government has approved a road map to light up the entire country by 2012;

(b) if so, the details of the plan prepared by the Government in this regard;

(c) whether the above road map has been prepared with the consent of States, Central Electricity Regulatory Commission and other stakeholder;

(d) if so, the details thereof;

(e) the role assigned to the PSUs as well as the private sector for generating additional power as per policy document; and

(f) the effective steps taken and monitoring system set up to achieve the target to make available electricity to all households?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(a) to (f) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF STARRED QUESTION NO. 237 TO BE ANSWERED IN THE LOK SABHA ON 18.03.2005 REGARDING ROAD MAP FOR RURAL ELECTRIFICATION.

(a) & (b) : Under the provisions of section 3 of the Electricity Act, 2003, Central Government has notified the National Electricity Policy on 12.2.2005. Main objectives of the policy are mentioned below:-

- Access to Electricity - Available for all households in next five years

- Availability of Power - Demand to be fully met by 2012. Energy and peaking shortages to be overcome and 5% spinning reserve to be available.

- Supply of Reliable and Quality Power of specified standards in an efficient manner and at reasonable rates.

- Per capita availability of electricity to be increased to over 1000 units by 2012.

- Minimum lifeline consumption of 1 unit/household/day as a merit good by year 2012.

- Financial Turnaround and Commercial Viability of Electricity Sector.

- Protection of consumers` interests.

(c) & (d) : Yes Sir, the National Electricity Policy has been prepared in consultation with the State Governments and other stake holders after also considering the comments of the Central Electricity Authority and advice of the Central Electricity Regulatory Commission. Regional meetings were also organized with the State Governments for facilitating the consultations.

(e) : To meet the objective of rapid economic growth and `power for all` including household electrification, it is estimated that an investment of the order of Rs.9,00,000 crores at 2002-03 price level would be required to finance generation, transmission, sub-transmission, distribution and rural electrification projects. Government has initiated several reform measures to create a favourable environment for addition of new generating capacity in the country. The Electricity Act 2003 has put in place a highly liberal framework for generation. There is no requirement of licensing for generation. The requirement of techno-economic clearance of CEA for thermal generation project is no longer there. Captive generation has been freed from all controls.

The National Electricity Policy stipulates following for encouraging investments for creating additional generation capacity:-

- Power being most crucial infrastructure, public sector investments, both at the Central Government and State Governments, will have to be stepped up. Considering the magnitude of the expansion of the sector required, a sizeable part of the investments will also need to be brought in from the private sector.

- Under the provisions of section 63 of the Act, Central Government has also issued the guidelines for competitive bidding for determination of tariff for procurement of power by distribution licensees.

- Maximum emphasis on full development of feasible hydro potential. Debt financing of longer tenure envisaged for hydro projects.

- Need to provide return on investment in a manner that the sector is able to attract adequate investments at par with, if not in preference to, investment opportunities in other sectors.

- Need for Central and State Governments to develop workable and successful models for public private partnership. This would also enable leveraging private investment with the public sector finances.

(f) : A new scheme of Rural Electricity Infrastructure and household Electrification has been approved for the attainment of the National Common Minimum Programme of completing Rural Household Electrification in five years. Under this scheme 90% Capital Subsidy would be provided for:

(i) Creation of Rural Electricity Distribution Backbone (REDB) with one 33/11 kV (or 66/11 kV) substation in every block appropriately linked to the State Transmission System.

(ii) Creation of Village Electricity Infrastructure (VEI) for electrification of all un-electrified villages/habitations with distribution transformer(s) in every village/habitation.

(iii) Decentralized Distributed Generation (DDG) and Supply System for Villages/Habitations where grid supply is not cost effective and where Ministry of Non-Conventional Energy Sources would not be providing electricity through their programme(s).

(iv) Electrification of all un-electrified Below Poverty Line (BPL) households in the country free of charge.

According to the National Electricity Policy, the Rural Electrification Corporation of India (REC) will be the nodal agency at Central Government level to implement the programme for achieving the goal set by National Common Minimum Programme of giving access to electricity to all the households in next five years and would ensure timely implementation of rural electrification projects.